

FORM 1
INDIVIDUAL ESTATE PROPERTY RECORD AND REPORT
ASSET CASES

Case No: 18-50946 LMJ
Case Name: Product Quest Manufacturing, Llc

Judge: Lena M. James

Trustee Name: C. EDWIN ALLMAN, III, Trustee

Date Filed (f) or Converted (c): 10/31/2018 (c)

341(a) Meeting Date: 12/07/2018

For Period Ending: 10/04/2019

Claims Bar Date: 01/09/2019

1	2	3	4	5	6	7	8
Asset Description (Scheduled and Unscheduled (u) Property)	Petition/ Unscheduled Values	Est Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs)	Property Formally Abandoned OA=554(a)	Sale/Funds Received by the Estate	Asset Fully Administered (FA)/ Gross Value of Remaining Assets	Lien Amount	Exempt Amount
1. Funds On Hand from Ch. 11 Operations (u)	Unknown	300,000.00		300,000.00	FA	0.00	0.00
2. 19.3 Raw Materials, Packaging	3,535,265.00	496,531.93		496,531.93	FA	0.00	0.00
3. 11.a. Accounts Receivable, 90 Days Old or Less, Retail	1,874,868.73	Unknown		174,010.20	Unknown	0.00	0.00
4. 7.1 Deposits	64,930.34	Unknown		20,398.99	Unknown	0.00	0.00
5. Refund for Unused Portion of D&O Policy (Willis of Texas, Inc.) (u)	Unknown	65,469.99		65,469.99	0.00	0.00	0.00
6. 19.2 Raw Materials, Chemicals	4,848,495.10	918,868.82		918,868.82	FA	0.00	0.00
7. 3.1 Bank of America Deposits (5747) Disbursement account used for paying bills; balance is zero above disbursements made for operating	2,739,361.78	0.00		0.00	0.00	0.00	0.00
8. 3.2 Bank of America Disbursement (8917) Account closed; zero	0.00	0.00		0.00	0.00	0.00	0.00
9. 3.3 Bank of America Payroll (8933) This account was closed preconversion.	36,365.45	0.00		0.00	FA	0.00	0.00
10. 3.4 Bank of America Petty Cash (8920) This account was closed preconversion.	0.00	0.00		0.00	0.00	0.00	0.00
11. 3.5 Bank of America SBR (3190) This account was closed preconversion.	0.00	0.00		0.00	0.00	0.00	0.00
12. Void (u)	0.00	N/A		0.00	FA	0.00	0.00
13. 8.1 Prepayments	479,480.52	Unknown		493.41	Unknown	0.00	0.00
14. 11.a. Accounts Receivable, 90 Days Old or Less, Contract	1,450,502.48	Unknown		0.00	Unknown	0.00	0.00
15. 11.b. Accounts Receivable Over 90 Days Old, Contract	230,368.61	Unknown		0.00	Unknown	0.00	0.00
16. 11.b. Accounts Receivable Over 90 Days Old, Retail	176,436.42	Unknown		77,955.43	Unknown	0.00	0.00

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Judge: Lena M. James

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Case Name: Product Quest Manufacturing, LLC

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17. 11.b. Accounts Receivable Over 90 Days Old, Technology	14,191.67	Unknown		0.00	Unknown	0.00	0.00
18. 19.1 Raw Materials, Bulk	2,033,038.90	211,932.20		211,932.20	FA	0.00	0.00
19. 20.0 Work In Progress TRUSTEE VALUE FOR WORK IN PROGRESS IS ZERO. TRUSTEE IS SATISFIED THAT THIS IS A LIABILITY AND NOT AN ASSET.	168,018.10	0.00		0.00	FA	0.00	0.00
20. 21.1 Finished Goods - Contract TRUSTEE VALUE FOR WORK IN PROGRESS IS ZERO. TRUSTEE IS SATISFIED THAT THIS IS A LIABILITY AND NOT AN ASSET.	5,220,888.20	0.00		0.00	FA	0.00	0.00
21. 21.2 Finished Goods - In Transit TRUSTEE VALUE FOR WORK IN PROGRESS IS ZERO. TRUSTEE IS SATISFIED THAT THIS IS A LIABILITY AND NOT AN ASSET.	280,258.00	0.00		0.00	FA	0.00	0.00
22. 22.1 Other Inventory or Supplies, Excess & Obsolete Reserves	0.00	0.00		7,500.00	0.00	0.00	0.00
23. 39.1 Office Furniture	29,773.39	3,103.70		3,103.70	FA	0.00	0.00
24. 40.1 Office Fixtures QC Office HVAC	1,321.33	137.74		137.74	FA	0.00	0.00
25. 41.0 Office equipment, computers, systems and softwares	171,459.01	17,873.58		17,873.58	FA	0.00	0.00
26. 47.0 Automobiles, vans, trucks, motorcycles, trailers, & titled farm vehicles	37,758.80	12,757.50		12,757.50	FA	0.00	0.00
27. 50.0 Other Machinery, fixtures & equipment	3,592,210.83	379,511.47		379,511.47	FA	0.00	0.00
28. 77.1 Other Property, Intercompany Debt (90 Days Old or Less)	92,101.33	Unknown		0.00	Unknown	0.00	0.00
29. 77.2 Other property, Intercompany Debt (Over 90 Days)	434.27	Unknown		0.00	Unknown	0.00	0.00
30. 60.0 Patents, Copyrights, Trademarks & Trade Secrets	Unknown	Unknown		200,000.00	Unknown	0.00	0.00

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INDIVIDUAL ESTATE PROPERTY RECORD AND REPORT
ASSET CASES

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Case Name: Product Quest Manufacturing, LLC

Judge: Lena M. James

Trustee Name: C. EDWIN ALLMAN, III, Trustee

Date Filed (f) or Converted (c): 10/31/2018 (c)

341(a) Meeting Date: 12/07/2018

For Period Ending: 10/04/2019

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31. 63.1 Customer Lists, Mailing List & Other Compilations	Unknown	Unknown		0.00	Unknown	0.00	0.00
32. 65.0 Goodwill	Unknown	Unknown		0.00	Unknown	0.00	0.00
33. 74.0 Causes of Action The representations and warranties insurance claim arises from alleged breaches in certain representations and warranties made by former owners to the Kalnos Capital acquisition entity in the August 14, 2015, Contribution and Unit Purchase Agreement, relating to the acquisition of Product Quest Manufacturing, LLC. The Trustee believes that this asset has been assigned to Lender and the Lender is separately pursuing recovery. the only value to the estate for this asset is that any recovery will reduce Lender's claim in this case.	Unknown	Unknown		0.00	Unknown	0.00	0.00
34. United Rentals	Unknown	646.92		646.92	FA	0.00	0.00
35. SERVICE FEES FOR PICKUP OF CUSTOMER OWNED ITEMS (u)	Unknown	Unknown		400.00	FA	0.00	0.00
36. SCRAP-REMOVAL OF SCRAP FROM REAL PROPERTY (METAL, ETC.) (u)	0.00	5,481.67		5,481.67	FA	0.00	0.00
37. FPL - REFUND FOR AMOUNTS PAID BY ESTATE FOR POWER (NON-COMPENSABLE) (u)	0.00	7,240.06		7,240.06	FA	0.00	0.00
38. WRIGHT FLOOD-Refund for Insurance Cancellations (Not Scheduled) NONCOMPENSABLE (u) NONCOMPENSABLE	Unknown	0.00		2,975.00	FA	0.00	0.00
39. FPL - REFUND FOR AMOUNTS PAID BY ESTATE FOR GAS (NON-COMPENSABLE) (u)	Unknown	723.68		723.68	FA	0.00	0.00
40. Refunds for Cancellation of Insurance Paid Post Petition (non-compensable) (u)	Unknown	Unknown		50,580.08	Unknown	0.00	0.00
41. COMPASS GROUP LOCKBOX REFUND (u)	0.00	Unknown		432.00	FA	0.00	0.00

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			Gross Value of Remaining Assets		
TOTALS (Excluding Unknown Values)	\$27,077,528.26	\$2,420,279.26	\$2,955,024.37	\$0.00	\$0.00
			(Total Dollar Amount in Column 6)		

Major activities affecting case closing which are not reflected above, and matters pending, date of hearing or sale, and other action:

FOURTH INTERIM

On July 25, 2019, an order was entered authorizing Trustee to sell certain intellectual property to Randob Labs, Ltd., for the sum of \$200,000 [docket # 526]. This sale closed on July 26, 2019.

On July 23, 2019, the court entered an order authorizing Trustee to engage the services of Nexsen Pruet, PLLC, to investigate and, if appropriate, to pursue certain claims on behalf of the Trustee, including claims asserted against former directors, officers, and owners.

On July 25, 2019, an order was entered allowing Trustee an interim commission of \$61,315.25 from the funds of the bankruptcy estate.

During this reporting period Debtors funds in the amount of \$300,000 were transferred to Madison Capital.

During this reporting period the Trustee has been in contact with certain interested parties relating to the assertion of preference claims. The Trustee expects to make a decision and file an appropriate motion regarding same during the upcoming quarter.

At this point all assets of this estate have been liquidated other than potential claims.

An issue has arisen relating to the failure to pay 2018 personal property taxes as an incident to the sale of the Debtor's assets which closed in March 2019. The Trustee expects that this issue will be resolved during the upcoming quarter.

Initial Projected Date of Final Report (TFR): 12/21/2020 Current Projected Date of Final Report (TFR): 12/21/2020

Trustee Signature: /s/ C. EDWIN ALLMAN, III, Trustee Date: 10/04/2019

C. EDWIN ALLMAN, III, Trustee
380 KNOLLWOOD ST., STE. 700
WINSTON-SALEM NC 27103
(336) 631-1433
ceallman@allmanspry.com

FORM 2
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 18-50946
Case Name: Product Quest Manufacturing, LLC

Trustee Name: C. EDWIN ALLMAN, III, Trustee
Bank Name: Union Bank
Account Number/CD#: XXXXXX0906
Checking
Blanket Bond (per case limit): \$600,000.00
Separate Bond (if applicable):

Taxpayer ID No: XX-XXX4401
For Period Ending: 09/30/2019

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account/CD Balance (\$)
			Balance Forward				\$0.00
		No Transactions					\$0.00

COLUMN TOTALS	\$0.00	\$0.00
Less: Bank Transfers/CD's	\$0.00	\$0.00
Subtotal	\$0.00	\$0.00
Less: Payments to Debtors	\$0.00	\$0.00
Net	\$0.00	\$0.00

Page Subtotals:

\$0.00 \$0.00

FORM 2
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 18-50946
Case Name: Product Quest Manufacturing, LLC

Trustee Name: C. EDWIN ALLMAN, III, Trustee
Bank Name: Axos Bank
Account Number/CD#: XXXXXX0071
Checking
Blanket Bond (per case limit): \$600,000.00
Separate Bond (if applicable):

Taxpayer ID No: XX-XXX4401
For Period Ending: 09/30/2019

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account/CD Balance (\$)
			Balance Forward				\$550,440.42
07/09/19	16	ALBERTSONS SAFEWAY ALBERTSONS COMPANIES 20427 N 27TH AVENUE PHOENIX, AZ 85027-3241	A/R - TIGER COLLECTION (NO COMMISSION WITHHELD) INVOICE NUMBER 177768A (\$2,324.16) AND INVOICE 177769A (\$1,108.20)	1121-000	\$3,432.36		\$553,872.78
07/09/19	39	FPL ENERGY SERVICES, INC. 700 UNIVERSE BOULEVARD JUNO BEACH, FL 33408	GAS CUST REFUND NON-COMPENSABLE	1290-000	\$723.68		\$554,596.46
07/18/19	40	Willis of Texas, Inc. c/o National Accounting Center 26 Century Boulevard Nashville, TN 37214	MULTIPLE INS. POLICY CANCELLATIONS (NON- COMPENSABLE)	1290-000	\$49,540.08		\$604,136.54
07/18/19	13	ServiceMaster 150 Peabody Place Memphis, TN 38103-3720	REFUND	1290-000	\$97.98		\$604,234.52
07/25/19	2005	C. Edwin Allman, III, Trustee Allman Spry Davis Leggett & Crumpler, P.A. 380 Knollwood Street, Suite 700 Winston-Salem, NC 27103	PER ORDER #528 ENTERED 7/25/19 BILLING #181207.20001	2100-000		\$61,315.25	\$542,919.27
07/25/19	2006	TIGER LIQUIDATION SERVICES BIOPHARMA PARTNERS 2700 POST OAK BOULEVARD, SUITE 2100 HOUSTON, TX 77056	PER ORDER #527 ENTERED 7/25/19	3620-000		\$5,365.04	\$537,554.23
07/26/19	30	Randob Labs, Ltd.	PER ORDER #526 Sale of IP	1129-000	\$170,000.00		\$707,554.23
07/29/19	40	NGM Insurance Company PO Box 2057 KalisPELL, MT 59903-2057	Policy #87-04896889-2018 (540 Carswell) Cancellation Refund NON-COMPENSABLE	1290-000	\$686.42		\$708,240.65
07/29/19	40	NGM INSURANCE COMPANY FLOOD INSURANCE PROCESSING CENTER PO BOX 2057 KALISPELL, MT 59903-2057	NON-COMPENSABLE CANCELLATION REIMB. (540 CARSWELL) POLICY # 87-05417236-2018	1290-000	\$353.58		\$708,594.23

Page Subtotals:

\$224,834.10

\$66,680.29

FORM 2
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Trustee Name: C. EDWIN ALLMAN, III, Trustee
Bank Name: Axos Bank
Account Number/CD#: XXXXXX0071
Checking

Taxpayer ID No: XX-XXX4401
For Period Ending: 09/30/2019

Blanket Bond (per case limit): \$600,000.00
Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account/CD Balance (\$)
07/29/19	30	ALLMAN SPRY DAVIS LEGGETT & CRUMPLER, P.A. IOLTA TRUST ACCOUNT PO DRAWER 5129 WINSTON-SALEM, NC 27113-5129	Order #527 SALE OF IP TO RANDOB LABS	1129-000	\$30,000.00		\$738,594.23
08/01/19	2007	Rebecca Howell 148 Putnam Lake Road Kings Mountain, NC 28086	Work on Intellectual Property Sale - July 2019	2990-000		\$300.00	\$738,294.23
08/02/19	2008	Madison Capital Funding, LLC, as Agent 30 S. Wacker Drive, Suite 3700 Chicago, IL 60606	Partial Payment - Claim #59	4110-000		\$300,000.00	\$438,294.23
08/06/19	16	Bank of America, N.A. San Antonio, TX Deposit Services	A/R Kroger Settlement Tiger Commission Not Held Out [Originally Wired Into Block Account by Kroger In Error]	1129-000	\$4,363.03		\$442,657.26
08/14/19	2009	Tiger Liquidation Services Biopharma Partners 340 N. Westlake Boulevard, Suite 260 Westlake Village, CA 91362	PER ORDER #344 Commission for Collection of A/R Wholesale Grocers, Inc.: 499.56 dep 5/22/19 (comm. 89.92); 11,884.08 dep. 5/23/19 (comm. 2,139.13) Albertsons Safeway: 7,466.82 dep. 5/23/19 (comm. 1,344.03); 3,432.36 dep. 7/9/19 (comm. 617.82) Kroger: 4,363.03 dep. 8/6/19 (comm. 785.35)	3610-000		\$4,976.25	\$437,681.01
08/14/19	2010	International Sureties, Ltd. Suite 420, 701 Poydras Street New Orleans, LA 70139	PER Email from BA to T'ee on 7/25/19 Trustee Bond	2300-000		\$70.35	\$437,610.66
08/27/19	2011	Archive Information Management, Inc. 1959 N. Peace haven Road, Suite 189 Winston-Salem, NC 27106	Invoice of 7/31/19	2990-000		\$34.75	\$437,575.91
09/05/19	2012	Archive Information Management, Inc. 1959 N. Peace Haven Road, Suite 189 Winston-Salem, NC 27106	Invoice of 8/31/19 (Invoice #0103019)	2410-000		\$34.75	\$437,541.16

Page Subtotals:

\$34,363.03

\$305,416.10

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Case No: 18-50946
Case Name: Product Quest Manufacturing, LLC

Trustee Name: C. EDWIN ALLMAN, III, Trustee

Bank Name: Axos Bank

Account Number/CD#: XXXXXX0071

Checking

Blanket Bond (per case limit): \$600,000.00

Separate Bond (if applicable):

Taxpayer ID No: XX-XXX4401
For Period Ending: 09/30/2019

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account/CD Balance (\$)
09/16/19	41	Compass Group, North America 2400 Yorkmont Road Charlotte, NC 28217	Escheatment Refund 145860100994	1290-000	\$432.00		\$437,973.16

COLUMN TOTALS	\$259,629.13	\$372,096.39
Less: Bank Transfers/CD's	\$0.00	\$0.00
Subtotal	\$259,629.13	\$372,096.39
Less: Payments to Debtors	\$0.00	\$0.00
Net	\$259,629.13	\$372,096.39

Page Subtotals:

\$432.00

\$0.00

TOTAL OF ALL ACCOUNTS			
	NET DEPOSITS	NET DISBURSEMENTS	ACCOUNT BALANCE
XXXXXX0071 - Checking	\$356,401.57	\$1,874,242.16	\$437,973.16
XXXXXX0906 - Checking	\$2,598,622.80	\$642,809.05	\$0.00
	<u>\$2,955,024.37</u>	<u>\$2,517,051.21</u>	<u>\$437,973.16</u>
	(Excludes account transfers)	(Excludes payments to debtors)	Total Funds on Hand
Total Allocation Receipts:	\$0.00		
Total Net Deposits:	\$2,955,024.37		
Total Gross Receipts:	\$2,955,024.37		

Trustee Signature: /s/ C. EDWIN ALLMAN, III, Trustee Date: 10/03/2019

C. EDWIN ALLMAN, III, Trustee
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 (336) 631-1433
 ceallman@allmanspry.com

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